

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

* * * * *

In the Matter of:

APPLICATION OF YORKTOWN SEWAGE)
TREATMENT FACILITIES, INC., FOR)
AN ADJUSTMENT OF RATES PURSUANT) CASE NO. 8759
TO THE ALTERNATIVE PROCEDURE)
FOR SMALL UTILITIES)

O R D E R

On January 20, 1983, Yorktown Sewage Treatment Facilities, Inc., ("Yorktown") filed an application with the Commission to increase its sewer rates pursuant to 807 KAR 5:076. In its application, Yorktown included anticipated interest expense on borrowings of \$15,000 for repairs to its system. On September 8, 1983, the Commission entered its Order in the matter which denied the projected interest expense as not being known and measurable. The Commission stated however that should Yorktown be able to obtain commitments for the rate of interest the Commission would reconsider the adjustment.

On September 28, 1983, Yorktown filed a petition for rehearing and submitted a letter from the Stock Yards Bank and Trust Company of Louisville, Kentucky, stating that the bank has approved Yorktown's loan request of \$15,000 at a fixed interest rate of 15 percent. The loan is to be amortized over a 3-year period.

FINDINGS AND ORDERS

After considering the evidence of record and being advised, the Commission is of the opinion that:

1. Yorktown's petition for rehearing should be granted.
2. A formal hearing in this proceeding should not be held.
3. The financing obtained by Yorktown as described above should be approved.
4. The revenues produced by Yorktown's rates should be increased by \$1,240¹ to allow for the additional interest expense to be incurred by the financing allowed herein.

IT IS THEREFORE ORDERED that Yorktown's application for rehearing be and it hereby is granted.

IT IS FURTHER ORDERED that a formal hearing of this proceeding shall not be held.

IT IS FURTHER ORDERED that the Commission's Order of September 8, 1983, be and it hereby is amended to allow the financing and interest expense described above.

IT IS FURTHER ORDERED that the rates allowed in the Commission's Order of September 8, 1983, in this proceeding be and they hereby are amended to produce an additional \$1,240 in revenues as set out in Appendix A.


IT IS FURTHER ORDERED that the Commission's Order of September 8, 1983, in this proceeding not specifically amended herein shall remain in full force and effect.

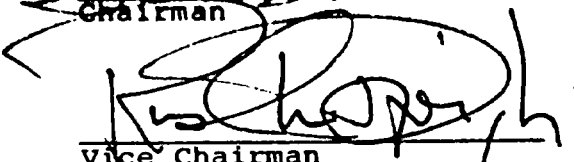
¹ \$519.99 (monthly amortization of \$15,000 loan at 15 percent interest rate) X 36 months = \$18,719.64 - \$15,000 = \$3,719.64 ÷ 3 years = \$1,239.88.


IT IS FURTHER ORDERED that, within 30 days of the date of this Order, Yorktown shall file with this Commission its tariff sheets setting forth the revised rates approved herein.

Done at Frankfort, Kentucky, this 18th day of October, 1983.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC
SERVICE COMMISSION IN CASE NO. 8759 DATED
OCTOBER 18, 1983

The following rates are prescribed for all customers served by Yorktown Sewage Treatment Facilities, Inc. All other rates and charges not specifically mentioned herein shall remain the same as those in effect prior to the date of this Order.

CLASSIFICATION:

MONTHLY RATE

Apartments
Residential
Small Commercial

\$ 3.85
5.70
12.20